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CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 10 October 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation
(Report #26 - As of 4:00 PM EDT)

1. The Indonesian Army appears to be broadening

who have infiltrated military and civilian government organizations.	
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3. Army information announced on 9 October that during the first week of army sweeps in the Djakarta area, 252 firearms had been discovered. Of these 150 were of Chinese manufacture.

State Dept. review completed

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- 4. The army issued two bulletins on 9 October aimed at clarifying its top command structure. One of them is a reminder that Maj. Gen. Pranoto is not the acting commander of the army; his correct title is "Officer in Charge of Day-to-Day Administration of the Army." The other notes that Maj. Gen. Suharto is responsible for "military/technical affairs or for the restoration of security." Suharto assumed the position of acting army commander on 1 October when it became known that Commander General Yani had disappeared and was probably dead. Suharto relinquished this title at Sukarno's order. The post of army commander is currently vacant.
- 5. The second bulletin in effect also spelled out the army's understanding of its present relationship with Sukarno. It stated that the present situation has two basic aspects--political and military-and that these must be solved soon. The policy as laid down by Sukarno is correct: he will settle the political aspect but has entrusted everything related to the "military/technical and administrative aspect" to Generals Pranoto and Suharto.
- 6. General Suharto on 9 October broadcast an announcement giving assurances on the food supply situation and admonishing food producers and traders not to exploit the current situation. The US Embassy has reported that the past week of crisis has had little effect on the economic life of the capital. There were few signs of panic buying.
- 7. A police inspector has been added to the list of those murdered on 1 October. He is reported to have died of wounds incurred in saving the life of Second Deputy Prime Minister Leimena.
- 8. Reports that Sukarno returned to Djakarta by helicopter on 9 October remain unconfirmed. The army contacts of several press correspondents have indicated to them that the president is still at Bogor.
- 9. A Djakarta newspaper has published the story that a group of Communist leaders who have long disagreed with the policy of party chairman Aidit plans to form a new Communist party. The proposed party will absorb Communists who "wish to dedicate their

lives to the interest of their country--not like Aidit and his associates who served foreign interests." The group will soon ask President Sukarno's blessing for the new party. According to the news story, the new organization will be announced after Sukarno has banned Aidit's party.

10. The editor of the paper which ran the story is a minister attached to the cabinet presidium and secretary general of the large orthodox party Nahdatul Ulama (NU). As the past week has progressed the NU has moved from a firm anti-Communist position to one completely supporting Sukarno.

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